

Report On The Statewide Single Audit



Washington
State Auditor
Brian Sonntag



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Dear Citizens of Washington:

This report describes the overall financial condition of Washington State government. It is based on audits we conducted for the fiscal year that began on July 1, 1996 and ended on June 30, 1997. The report compiles the results of the Statewide Single Audit and individual agency reports issued by the State Auditor's Office each year.

During the 1997 fiscal year, we audited 110 of the state's 162 agencies, boards and commissions. Based on those audits, we found agencies have made substantial progress in complying with state and federal laws and regulations.

The number of findings, those areas in which state agencies could make improvements, decreased significantly from 89 in fiscal year 1996 to 53 in 1997.

We hope the reduction in the number of findings reflects our continuing efforts to offer constructive recommendations on how agencies may improve their operations.

I hope you find this report useful.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

WASHINGTON'S FINANCES AT A GLANCE

Where The Money Comes From

FY 1997	(Millions)
➤ Retail Sales Tax	\$4,436
➤ Business and Occupation Tax	1,737
➤ Property Tax	1,171
➤ Excise Tax	922
➤ Motor Vehicle and Fuel Tax	685
➤ Liquor, Beer, Wine and Tobacco Tax	395
➤ Other Taxes	<u>1,067</u>
TOTAL TAXES	<u>\$10,413</u>



➤ Federal Grants	\$4,577
➤ Bond Proceeds	639
➤ Licenses, Permits and Fees	492
➤ Other Miscellaneous Revenue	<u>1,963</u>
TOTAL FINANCING SOURCES	<u>\$18,084</u>

WASHINGTON'S FINANCES AT A GLANCE

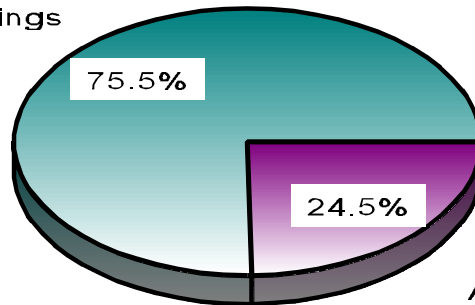
Where The Money Goes

FY 1997	(Millions)
▣▣▣▣ K through 12 Basic Education	\$4,457
▣▣▣▣ Public Assistance	4,395
▣▣▣▣ State Employee Wages and Benefits	3,685
▣▣▣▣ Grants	2,046
▣▣▣▣ Purchased Goods and Services	1,404
▣▣▣▣ Roads, Equipment, Buildings, Etc.	1,112
▣▣▣▣ Principal and Interest Payments	619
▣▣▣▣ Contracts with Private Parties	102
▣▣▣▣ Travel	<u>86</u>
TOTAL EXPENDITURES	<u>\$17,906</u>

AUDIT FINDINGS

Fiscal Year 1997

Agencies With No Findings

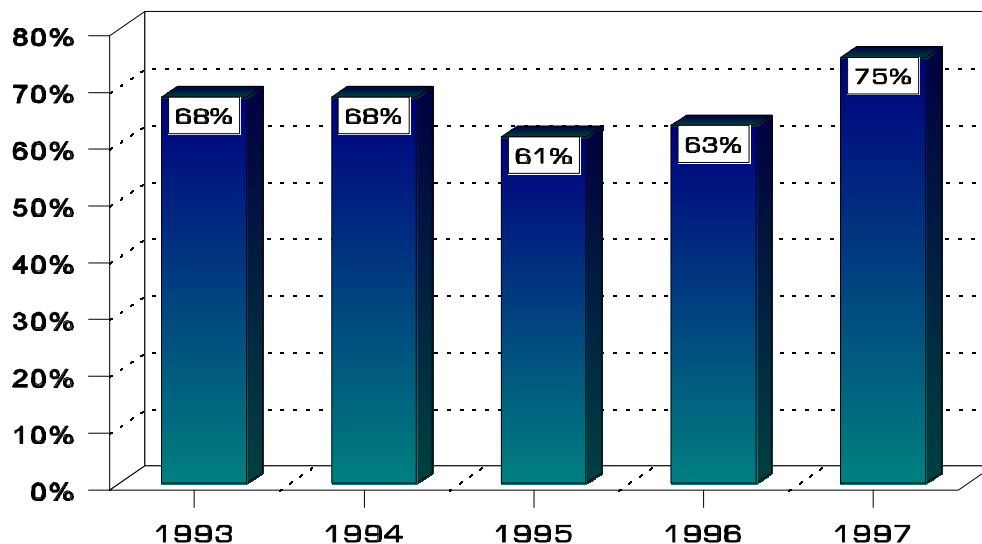


Agencies With Findings



Agencies Without Findings – A 5-Year Review

Percentage of Total Agencies Audited



GOOD RECORDS OF FINANCIAL STEWARDSHIP

The following state agencies, boards and commissions included in the fiscal year 1997 Statewide Single Audit have had three consecutive years of audits without audit findings. The State Auditor's Office congratulates them on their clean audit histories.

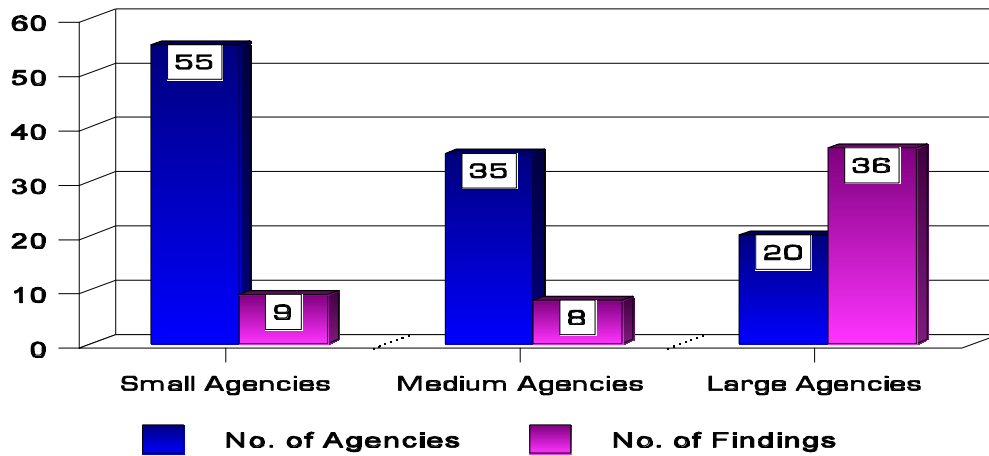
Accountancy Board
Actuary Office
Administrative Hearings Office
Administrator for the Courts, Office of
Alfalfa Seed Commission
Arts Commission, Washington State
Asian Pacific American Affairs, Comm. on
Asparagus Commission
Barley Commission
Beef Commission
Big Bend Community College
Blind, Department of Services for the
Columbia Basin Community College
Columbia River Gorge Commission
Community and Technical Colleges,
State Board
Conservation Commission, State
Convention and Trade Center, State
County Road Administration Board
Court of Appeals
Dry Pea and Lentil Commission
Eastern Washington State Historical Society
Education, State Board of
Egg Commission
Environmental Hearings Office
Farmed Salmon Commission
Financial Institutions, Department of
Forecast Council, Office of
Fruit Commission
Fryer Commission
Gambling Commission
Health Care Facilities Authority
Higher Education Coordinating Board
Higher Education Facilities Authority
Hispanic Affairs, Commission on
Hop Commission

Indeterminate Sentence Review Board
Indian Affairs, Governor's Office of
Industrial Insurance Appeals, Board of
Joint Legislative Audit & Review Committee
Joint Legislative Systems Committee
Judicial Conduct, Commission on
Legislative Eval. & Acct Program Committee
Library, State
Library, State Law
Lieutenant Governor, Office of
Marine Employees Commission
Mint Commission
Parks and Recreation Commission
Peninsula College
Personnel Appeals Board
Pilotage Commissioners, Board of
Pollution Liability Insurance Agency
Printing, Department of
Public Disclosure Commission
Public Employment Relations Commission
Red Raspberry Commission
Revenue, Department of
Salaries for Elected Officials, Citizen Comm.
Senate
Sentencing Guidelines Commission
South Puget Sound Community College
State Investment Board
Statute Law Committee
Supreme Court
Supreme Court Reports, Commission on
Tax Appeals Board
Transportation Improvement Board
Treasurer, Office of State
Utilities and Transportation Commission
Volunteer Firefighters, Board of
Wheat Commission

AUDIT FINDINGS

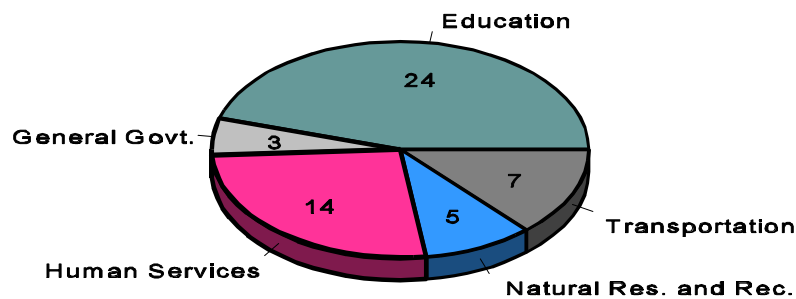
Findings By Size Of Agency

See Appendix A for complete listing.



Findings By Functional Area

See Appendix B for complete listing.



Total Findings 53

SUMMARY OF FINDINGS AND MANAGEMENT LETTER ITEMS BY CATEGORY

The following breakdown lists the number of findings reported in the Statewide Single Audit by category.

Category	Number of Findings 1995	Number of Findings 1996	Number of Findings 1997
Questioned Costs	14	7	4
Other federal findings	12	8	8
Cash Receipts	24	9	11
Cash Disbursements	9	4	10
Billings/Receivables	6	4	3
Accounts Payable	1	1	0
Purchasing/Receiving	7	9	3
Personnel and Payroll	11	5	4
Inventory	5	5	3
Property, Plant and Equipment	10	14	3
General Ledger	3	1	0
Miscellaneous State Findings	20	22	4
Total Findings	122	89	53

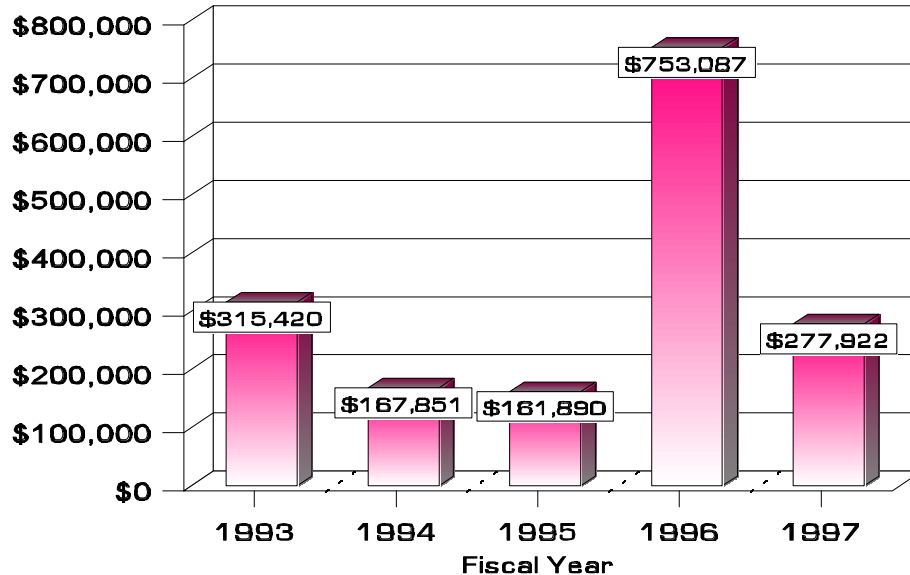
The following chart lists the management letter items by category.

Category	
Cash Receipting	32
Fixed Assets/Inventory	13
Purchasing	7
Payroll	6
Receivables	6
Payables/Disbursements	5
Miscellaneous Controls	5
Total Internal Control Issues	74
Federal and State Grants	11
Contract Bidding or Monitoring	7
Other Miscellaneous Items	19
Total Management Letter Issues	111

SUMMARY OF REPORTED FRAUDS

<u>Agency</u>	<u>Loss</u>
Fish and Wildlife, Department of	\$137,467.24
Transportation, Department of	49,000.00
Washington State University	44,337.75
Whatcom Community College	17,390.00
University of Washington	11,682.57
Attorney General, Office of	8,610.36
Evergreen State College, The	6,475.87
Public Instruction, Superintendent of	2,548.62
Licensing, Department of	<u>410.00</u>
Total	<u>\$277,922.41</u>

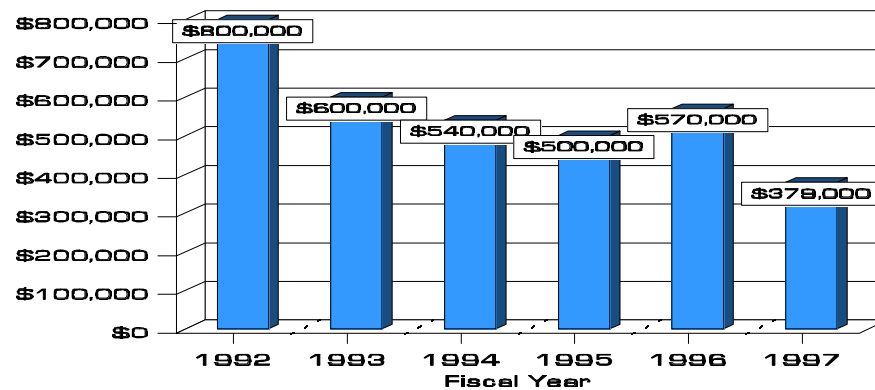
Losses Due To Fraud – A 5-Year Review



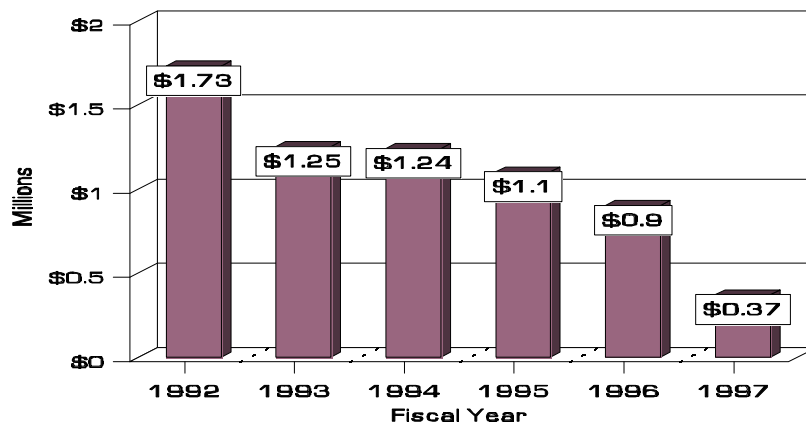
Note: Large frauds that go undetected for multiple years can cause a large variance in historical data. In 1996, there was one such fraud case reported for \$483,344.

COST OF AUDIT EFFORTS

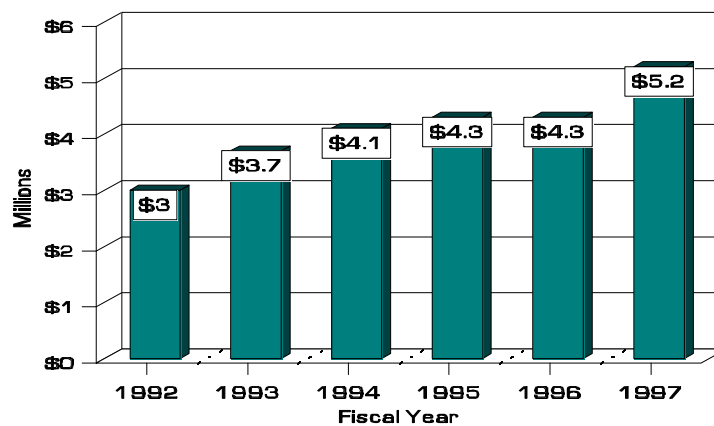
Comprehensive Annual Financial Report



Statewide Single Audit



Legal Compliance



RECOMMENDATIONS

Based on our 1997 review of the state agencies, boards and commissions, which are included in the Statewide Single Audit, the State Auditor's Office makes the following recommendations:

Safeguarding Resources and Assets

State agencies should:

- Place a priority on a strong system of internal controls.
- Emphasize the monitoring of those controls.
- Support the effective use of the internal audit function.

Staff Education

State agencies should invest in educating their staff so they understand:

- Internal controls and the benefits of those controls.
- The state financial policies.
- The state and federal administrative policies.

REVIEW OF STATE OPERATIONS BY FUNCTION

EDUCATION



Overview

Number of Agencies:	44
Number of Agencies with Findings:	15
Number of Agencies without Findings:	29
Number of Total Findings:	24
FY 1997 Expenditures:	\$7.4 billion

H i g h l i g h t s

While the state's kindergarten through 12th grade education system is administered at the local level, state government still has a large role to play. Through the efforts of the dedicated school and college and university employees, hundreds of thousands of students receive a public education each year.

Annually, we look at how education-related agencies spend and account for money allocated by the Legislature and the federal government. We audit six public universities, 30 community and technical colleges and the Office of the Superintendent of Public Instruction.

In fiscal year 1997, the money allocated to agencies in the education area totaled \$7.4 billion of the state's \$19 billion budget.

Higher education institutions received 19 audit findings in 1997.

While the number is lower than the 38 they received in 1996, it still reflects a need for improvements in some areas.

The most common finding in 1997 pertained to weaknesses in cash-receipting controls, particularly in locations apart from the main cash-handling area. Four universities and five community and technical colleges had at least one of these weaknesses:

- Failure to adequately segregate duties to ensure accountability over cash handling.
- Failure to reconcile the mode of payment (cash or check) to a validated deposit slip.
- Failure to adequately monitor inventory.

All of these situations increase the risk that money and/or supplies and equipment could be stolen and that the theft would not be detected.

Of the nine frauds detected at state agencies in fiscal year 1997, four were found at colleges and universities. They ranged from a \$6,475 fraud at The Evergreen State College to \$44,338 at the Washington State University Animal Sciences Department.

At OSPI, we found that the office needs to keep better records of equipment, including those items, such as computers, that are likely to be targets of theft. We also found that OSPI needs to follow state purchasing and travel regulations.

At all agencies where deficiencies were found, work has begun to correct operations. At OSPI, for example, new policies and procedures are being put in place. That also is occurring at Grays Harbor Community College, where we found room for improvement in cash-handling procedures. ❖

GENERAL GOVERNMENT



Overview

Number of Agencies:	29
Number of Agencies with Findings:	3
Number of Agencies without Findings:	26
Number of Total Findings:	3
FY 1997 Expenditures:	\$1.8 billion

making a commitment to strengthening policies and procedures that safeguard public assets.

Despite the generally good record in 1997, a few problems were noted. A fraud in the state Attorney General's Office resulted in the loss of \$8,610. It occurred when an administrative assistant in the Bankruptcy and Collections Unit altered the payee on four checks or money orders and deposited them into her personal bank account. Good controls over cash-handling procedures enabled the agency to detect the fraud shortly after it occurred.

The agency immediately notified us, and the clerk admitted to the fraud, agreed to make restitution and resigned from the agency.

The agency also revised its already strong policies to ensure such a situation does not happen again.

H i g h l i g h t s

While several high-profile agencies such as the Lottery Commission fall into the General Government category, we audit a number of smaller agencies in this area as well.

From the African-American Affairs Commission to the Liquor Control Board to the Department of Revenue, we looked at how 29 General Government agencies, boards and commissions accounted for the millions of public dollars they received in fiscal year 1997.

What we found was encouraging. The number of findings dropped to three from 10 in 1996. In fact, only three agencies had findings. Many of the agencies turned the recommendations we made in 1996 into policy changes that resulted in no findings in 1997.

We believe the decrease in findings demonstrates that agencies are

No overall pattern emerged in the findings, which indicated:

- Agencies were keeping incomplete records of equipment.
- State procurement and travel regulations were not being followed.
- Improvements were needed in the oversight of cash-receipting operations.

Generally, the agencies agreed with our findings and are developing procedures to correct the deficiencies. We appreciate the receptiveness to our ideas and the cooperation we received during our audits. ❖

HUMAN SERVICES



Overview

Number of Agencies:	11
Number of Agencies with Findings:	4
Number of Agencies without Findings:	7
Number of Total Findings:	14
FY 1997 Expenditures:	\$6.7 billion

H i g h l i g h t s

The 11 agencies we audited in the Human Services category serve some of the state's most fragile people: foster children, the mentally ill, the elderly, and disabled veterans.

In fiscal year 1997, the agencies spent more than \$6.7 billion to provide basic human services to people who require financial assistance, institutional care, rehabilitation, or other social and mental health services due to their social, economic or mental condition.

These agencies often have complex financial systems and receive a large amount of federal money. In fiscal year 1997, we found that even in the context of complicated financial accounting, the agencies had made progress in their efforts to safeguard public assets as the number of agencies with findings, and the findings themselves, declined.

Three departments, Services for the Blind, Health and Veterans Affairs, and the Human Rights Commission, have had no findings for the past three years.

The state's largest agency in terms of both budget and number of employees is the Department of Social and Health Services. In fiscal year 1997, the Department's expenditure budget was about \$5.5 billion, much of that coming from federal grants. In order to qualify for the money, the agency must meet certain accounting and compliance standards.

The eight findings for the Department in fiscal year 1997 (down from 13 in 1996) reflect noncompliance with federal and state laws and regulations. These areas included inappropriate expenditures in the Refugee Assistance and Child Support Enforcement programs; lack of competitive bidding practices for personal services contracts in the Mental Health Division; circumvention of state salary limitations; and double-filling of exempt positions within the Department. We also found weaknesses in internal controls in the Medicaid Program that resulted in overpayments to hospitals.

The Department has taken steps to clear up some of these deficiencies and as noted above, has made substantial progress in correcting past findings, including setting up a system to better track equipment and other inventory.

In other agencies with findings, we saw no overall pattern.

We found:

- The Department of Labor and Industries needs to improve its mailroom procedures to prevent the possible theft of checks and/or cash the agency receives.
- The Department of Corrections needs to clarify payroll issues with a business that hires prisoners to manufacture clothing.

Except for two DSHS findings, the agencies substantially agreed with our findings and we appreciate their efforts to correct the deficiencies. Overall, the Human Services agencies continue to make progress in the protection of public resources.

Two agencies resolved findings made in 1996. The Health Care Authority developed a better way to keep track of equipment, such as computers, as a deterrent to theft. The Family Policy Council, which acts as a pass-through agency for some federal money, put procedures in place to monitor spending by organizations receiving the money.

We also saw substantial improvements at the Department of Labor and Industries, which received only one finding, down from three in 1996. ♦



NATURAL RESOURCES

Overview

Number of Agencies:	19
Number of Agencies with Findings:	3
Number of Agencies without Findings:	16
Number of Total Findings:	5
FY 1997 Expenditures:	\$.6 billion

H i g h l i g h t s

The 19 agencies and commissions included in the Natural Resources group provide critical services to the public. Among their many tasks are protecting the state's waters, lands and air from pollution; safeguarding precious fish and wildlife; and promoting the state's crops and livestock

Due to actions by the Legislature, two agencies previously listed in this category – the Washington State Energy Office and the Puget Sound Water Quality Authority – have been absorbed by other agencies.

We noted some progress in 1997. The Department of Natural Resources, which had one finding last year, took action to strengthen controls over how the agency keeps track of money it is owed.

Only three agencies had findings in 1997. Those agencies were the Department of Ecology, the Department of Fish and Wildlife, and the Wine Commission.

The finding at Ecology was the agency's first since 1991. It related to the agency's need to tighten up policies on its employees use of leave slips. The agency put new procedures in place and instructed all employees on the proper way to request leave and turn in leave slips.

At the Department of Fish and Wildlife, we noted some areas where improvements still are needed.

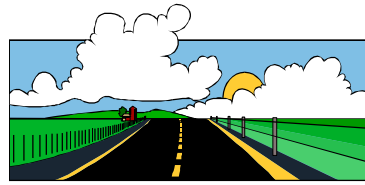
For the second year in a row, we found that the Department needs to do a better job of collecting license revenues from more than 800 hunting and fishing license dealers around the state. The Department is working to catch up on the backlog, but at the time of the audit, still had not accounted for \$670,000 in outstanding license fees and had 64 percent of its 1996 dealer audits yet to complete. The Department has received funding to contract with a consultant to review its financial management practices.

Two other findings were reported at Fish and Wildlife. One related to a fraud that the Department detected and took quick action to pursue recovery of the \$137,467 loss. The agency has filed a lawsuit to try to recover the money from the alleged thief, whose trial is scheduled in July 1998.

The last finding related to the agency's oversight of fixed assets, a condition that was also noted in the Department's 1996 audit. The Department plans to complete a full inventory and have new procedures in place by July 1, 1998.

Other agencies in the Natural Resources category received clean audits, including the Department of Agriculture, the Columbia River Gorge Commission and the Parks and Recreation Commission, among others. We appreciate the commitment agencies have made to maintaining accountability over public money. ♦

TRANSPORTATION



Overview

Number of Agencies:	7
Number of Agencies with Findings:	2
Number of Agencies without Findings:	5
Number of Total Findings:	7
FY 1997 Expenditures:	\$1.5 billion

H i g h l i g h t s

The challenges facing the largest agencies in the Transportation area – the departments of Transportation and Licensing and the Washington State Patrol – are increasing in direct proportion to the state's rapid population growth.

In addition to building and maintaining over 7,000 miles of highways, the Transportation Department operates a state ferry system that serves millions of people annually. It administers 16 small airports and has set up partnerships that provide rail and other public transportation services.

Licensing is working to keep up with the influx of new drivers, and the State Patrol faces mounting the formidable task of keeping the jam-packed roadways safe.

Besides the three agencies listed above, we also audited the Transportation Improvement Board and the County Road

Administration Board. Transportation-related agencies comprise about 10 percent of the state's annual budget. In fiscal year 1997, they spent \$1.5 billion on programs.

Generally, the agencies do a good job in accounting for the public dollars they receive. As was the case in 1996, the 1997 audit indicated overall progress. Even though we audited more agencies in the transportation area this year, the number of findings dropped from nine to seven, continuing a four-year decrease. And for the third year in a row, no findings were made for the Washington State Patrol.

While the Transportation Department's Ferries Division has made some progress, two of the three findings reported in fiscal year 1997 were repeated from fiscal year 1996. The main concern, accountability for cash collected at ferry terminals, has not been resolved, although improvements were made in the past year. Additionally, vendors still were not being paid promptly.

The third finding relates to Ferries' need to improve systems related to employees' time records.

Among the other findings at the Department of Transportation:

- The agency did not follow IRS regulations, state laws and its own policies for assigning agency-owned vehicles and monitoring their use.
- The agency did not follow competitive bid requirements for the purchase of personal computers.
- Surplused computers and other equipment were stolen by an employee, who has pleaded guilty to first-degree theft and returned the equipment. The agency has taken steps to ensure this does not recur.

We appreciate the work the agencies have done to correct areas where deficiencies are found and for their continuing commitment to improving accountability for public money. ❖

APPENDIX A

AUDIT REPORTS FOR STATE AGENCIES RELEASED DURING FISCAL YEAR 1997 ARRANGED BY SIZE

Audit Report No.	Agency	Number of Findings	Number of Repeat Findings	Agency Count
LARGE AGENCIES				
5865	Corrections, Department of	None	None	1
5815	Corrections, Department of	1	None	
5834	Education, State Board of	None	None	2
5928	Employment Security Department	4	2	3
5915	Fish and Wildlife, Department of	3	2	4
5877	General Administration, Department of	None	None	5
5889	Health Care Authority, Washington State	None	None	6
5879	Health, Department of	None	None	7
5856	Information Services, Department of	None	None	8
5906	Labor and Industries, Department of	1	None	9
5888	Liquor Control Board	1	None	10
5849	Lottery Commission, State	1	None	11
5871	Natural Resources, Department of	None	None	12
5883	Public Instruction, Superintendent of	3	2	13
5855	Retirement Systems, Department of	None	None	14
5925	Social and Health Services, Department of	8	4	15
5911	State Patrol, Washington	None	None	16
5875	Transportation, Department of	6	2	17
5881	University of Washington	7	None	18
5820	Washington State University	1	None	19
5850	Western Washington University	None	None	20
Totals		36	12	20
MEDIUM AGENCIES				
5868	Agriculture, Department of	None	None	1
5912	Attorney General, Office of	None	None	2
5825	Attorney General, Office of	1	None	
5831	Bellevue Community College	1	None	3
5851	Bellingham Technical College	None	None	4
5922	Central Wash Univ - Associated Students Funds	None	None	5
5921	Central Wash Univ - Housing & Food Svcs Funds	None	None	
5920	Central Washington University	1	None	
5903	Clark College	None	None	6
5812	Convention and Trade Center, State	None	None	7
5917	Convention and Trade Center, State	None	None	

APPENDIX A

AUDIT REPORTS FOR STATE AGENCIES RELEASED DURING FISCAL YEAR 1997 ARRANGED BY SIZE

Audit Report No.	Agency	Number of Findings	Number of Repeat Findings	Agency Count
5873	County Road Administration Board	None	None	8
5892	Ecology, Department of	1	None	9
5901	Everett Community College	None	None	10
5811	Evergreen State College, The	1	None	11
5894	Evergreen State College, The	None	None	
5866	Financial Management, Office of	None	None	12
5853	Green River Community College	None	None	13
5882	Highline Community College	None	None	14
5884	Horse Racing Commission	None	None	15
5840	House of Representatives	None	None	16
5900	Joint Center for Higher Education	None	None	17
5818	Joint Center for Higher Education	None	None	
5895	Lake Washington Technical College	None	None	18
5913	Licensing, Department of	1	None	19
5863	Military Department	None	None	20
5845	Parks and Recreation Commission	None	None	21
5897	Pierce College	None	None	22
5826	Printing, Department of	None	None	23
5843	Renton Technical College	None	None	24
5869	Revenue, Department of	None	None	25
5841	Skagit Valley College	None	None	26
5859	State Investment Board	None	None	27
5839	Tacoma Community College	1	None	28
5874	Transportation Improvement Board	None	None	29
5867	Utilities and Transportation Commission	None	None	30
5864	Veterans' Affairs, Department of	None	None	31
5842	Washington State Senate	None	None	32
5822	Washington Technology Center	None	None	33
5893	Workforce Training & Education Coord. Board	None	None	34
5880	Yakima Valley Community College	1	None	35
Totals		8	0	35
SMALL AGENCIES				
5910	Accountancy Board	None	None	1
5821	Administrative Hearings Office	None	None	2
5890	Alfalfa Seed Commission	None	None	3

APPENDIX A

AUDIT REPORTS FOR STATE AGENCIES RELEASED DURING FISCAL YEAR 1997 ARRANGED BY SIZE

Audit Report No.	Agency	Number of Findings	Number of Repeat Findings	Agency Count
5908	Arts Commission, Washington State	None	None	4
5876	Asparagus Commission	None	None	5
5918	Barley Commission	None	None	6
5829	Bates Technical College	None	None	7
5852	Beef Commission	None	None	8
5860	Blind, Department of Services for the	None	None	9
5927	Center for Information Services	None	None	10
5916	Centralia College	None	None	11
5907	Clover Park Technical College	1	None	12
5886	Columbia Basin College	None	None	13
5898	Columbia River Gorge Commission	None	None	14
5887	Community and Technical Colleges, State Board	None	None	15
5848	Conservation Commission, State	None	None	16
5899	Eastern Washington State Historical Society	None	None	17
5817	Eastern Washington State Historical Society	None	None	
5896	Edmonds Community College	2	None	18
5823	Egg Commission	None	None	19
5835	Environmental Hearings Office	None	None	20
5878	Family Policy Council, DSHS	None	None	21
5816	Farmed Salmon Commission	None	None	22
5861	Governor, Office of the	None	None	23
5862	Grays Harbor College	1	None	24
5847	Health Care Facilities Authority	None	None	25
5905	Higher Education Facilities Authority	None	None	26
5827	Historical Society, Washington State	1	1	27
5824	Hop Commission	None	None	28
5904	Housing Finance Commission, Washington State	None	None	29
5844	Human Rights Commission	None	None	30
5857	Industrial Insurance Appeals, Board of	None	None	31
5819	K-12 Education Apportionment System	None	None	32
5914	Legislative Evaluation & Accountability Prog.	None	None	33
5872	Library, State	None	None	34
5909	Library, State Law	None	None	35
5926	Lower Columbia College	None	None	36
5891	Mint Commission	None	None	37

APPENDIX A

AUDIT REPORTS FOR STATE AGENCIES RELEASED DURING FISCAL YEAR 1997 ARRANGED BY SIZE

Audit Report No.	Agency	Number of Findings	Number of Repeat Findings	Agency Count
5858	Olympic College	None	None	38
5923	Peninsula College	None	None	39
5846	Personnel Appeals Board	None	None	40
5814	Pilotage Commissioners, Board of	None	None	41
5830	Public Disclosure Commission	None	None	42
5836	Public Employment Relations Commission	None	None	43
5813	Red Raspberry Commission	None	None	44
5828	Secretary of State, Office of	None	None	45
5854	Shoreline Community College	1	None	46
5924	South Puget Sound Community College	None	None	47
5902	State School for the Blind/School for Deaf	1	None	48
5870	Treasurer, Office of State	None	None	49
5885	Walla Walla Community College	None	None	50
5832	Washington State Gambling Commission	None	None	51
5833	Washington Traffic Safety Commission	None	None	52
5837	Whatcom Community College	1	None	53
5919	Wheat Commission	None	None	54
5838	Wine Commission	1	None	55
Totals		9	2	55

APPENDIX B

AUDIT REPORTS FOR STATE AGENCIES RELEASED DURING FISCAL YEAR 1997 ARRANGED BY FUNCTIONAL AREA

Audit Report No.	Entity	Number of Findings	Number of Repeat Findings	Agency Count
EDUCATION				
5908	Arts Commission, Washington State	None	None	1
5829	Bates Technical College	None	None	2
5831	Bellevue Community College	1	None	3
5851	Bellingham Technical College	None	None	4
5927	Center for Information Services	None	None	5
5922	Central Wash Univ - Associated Students Funds	None	None	6
5921	Central Wash Univ - Housing & Food Svcs Funds	None	None	
5920	Central Washington University	1	None	
5916	Centralia College	None	None	7
5903	Clark College	None	None	8
5907	Clover Park Technical College	1	None	9
5886	Columbia Basin College	None	None	10
5887	Community and Technical Colleges, State Board	None	None	11
5899	Eastern Washington State Historical Society	None	None	12
5817	Eastern Washington State Historical Society	None	None	
5896	Edmonds Community College	2	None	13
5834	Education, State Board of	None	None	14
5901	Everett Community College	None	None	15
5811	Evergreen State College, The	1	None	16
5894	Evergreen State College, The	None	None	
5862	Grays Harbor College	1	None	17
5853	Green River Community College	None	None	18
5905	Higher Education Facilities Authority	None	None	19
5882	Highline Community College	None	None	20
5827	Historical Society, Washington State	1	1	21
5900	Joint Center for Higher Education	None	None	22
5818	Joint Center for Higher Education	None	None	
5819	K-12 Education Apportionment System	None	None	23
5895	Lake Washington Technical College	None	None	24
5872	Library, State	None	None	25
5926	Lower Columbia College	None	None	26
5858	Olympic College	None	None	27
5923	Peninsula College	None	None	28
5897	Pierce College	None	None	29

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AUDIT REPORTS FOR STATE AGENCIES RELEASED DURING FISCAL YEAR 1997 ARRANGED BY FUNCTIONAL AREA

Audit Report No.	Entity	Number of Findings	Number of Repeat Findings	Agency Count
5883	Public Instruction, Superintendent of	3	2	30
5843	Renton Technical College	None	None	31
5854	Shoreline Community College	1	None	32
5841	Skagit Valley College	None	None	33
5924	South Puget Sound Community College	None	None	34
5902	State School for the Blind/School for Deaf	1	None	35
5839	Tacoma Community College	1	None	36
5881	University of Washington	7	None	37
5885	Walla Walla Community College	None	None	38
5820	Washington State University	1	None	39
5822	Washington Technology Center	None	None	40
5850	Western Washington University	None	None	41
5837	Whatcom Community College	1	None	42
5893	Workforce Training & Education Coord. Board	None	None	43
5880	Yakima Valley Community College	1	None	44
Totals		24	3	44
GENERAL GOVERNMENT				
5910	Accountancy Board	None	None	1
5821	Administrative Hearings Office	None	None	2
5912	Attorney General, Office of	None	None	3
5825	Attorney General, Office of	1	None	
5812	Convention and Trade Center, State	None	None	4
5917	Convention and Trade Center, State	None	None	
5866	Financial Management, Office of	None	None	5
5877	General Administration, Department of	None	None	6
5861	Governor, Office of the	None	None	7
5847	Health Care Facilities Authority	None	None	8
5884	Horse Racing Commission	None	None	9
5840	House of Representatives	None	None	10
5904	Housing Finance Commission, Washington State	None	None	11
5856	Information Services, Department of	None	None	12
5914	Legislative Evaluation & Accountability Prog.	None	None	13
5909	Library, State Law	None	None	14
5888	Liquor Control Board	1	None	15
5849	Lottery Commission, State	1	None	16

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AUDIT REPORTS FOR STATE AGENCIES RELEASED DURING FISCAL YEAR 1997 ARRANGED BY FUNCTIONAL AREA

Audit Report No.	Entity	Number of Findings	Number of Repeat Findings	Agency Count
5863	Military Department	None	None	17
5846	Personnel Appeals Board	None	None	18
5826	Printing, Department of	None	None	19
5830	Public Disclosure Commission	None	None	20
5836	Public Employment Relations Commission	None	None	21
5855	Retirement Systems, Department of	None	None	22
5869	Revenue, Department of	None	None	23
5828	Secretary of State, Office of	None	None	24
5859	State Investment Board	None	None	25
5870	Treasurer, Office of State	None	None	26
5867	Utilities and Transportation Commission	None	None	27
5832	Washington State Gambling Commission	None	None	28
5842	Washington State Senate	None	None	29
Totals		3	0	29
HUMAN SERVICES				
5860	Blind, Department of Services for the	None	None	1
5865	Corrections, Department of	None	None	2
5815	Corrections, Department of	1	None	
5928	Employment Security Department	4	2	3
5878	Family Policy Council, DSHS	None	None	4
5889	Health Care Authority, Washington State	None	None	5
5879	Health, Department of	None	None	6
5844	Human Rights Commission	None	None	7
5857	Industrial Insurance Appeals, Board of	None	None	8
5906	Labor and Industries, Department of	1	None	9
5925	Social and Health Services, Department of	8	4	10
5864	Veterans' Affairs, Department of	None	None	11
Totals		14	6	11
NATURAL RESOURCES AND RECREATION				
5868	Agriculture, Department of	None	None	1
5890	Alfalfa Seed Commission	None	None	2
5876	Asparagus Commission	None	None	3
5918	Barley Commission	None	None	4
5852	Beef Commission	None	None	5
5898	Columbia River Gorge Commission	None	None	6

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AUDIT REPORTS FOR STATE AGENCIES RELEASED DURING FISCAL YEAR 1997 ARRANGED BY FUNCTIONAL AREA

Audit Report No.	Entity	Number of Findings	Number of Repeat Findings	Agency Count
5848	Conservation Commission, State	None	None	7
5892	Ecology, Department of	1	None	8
5823	Egg Commission	None	None	9
5835	Environmental Hearings Office	None	None	10
5816	Farmed Salmon Commission	None	None	11
5915	Fish and Wildlife, Department of	3	2	12
5824	Hop Commission	None	None	13
5891	Mint Commission	None	None	14
5871	Natural Resources, Department of	None	None	15
5845	Parks and Recreation Commission	None	None	16
5813	Red Raspberry Commission	None	None	17
5919	Wheat Commission	None	None	18
5838	Wine Commission	1	None	19
Totals		5	2	19
TRANSPORTATION				
5873	County Road Administration Board	None	None	1
5913	Licensing, Department of	1	None	2
5814	Pilotage Commissioners, Board of	None	None	3
5911	State Patrol, Washington	None	None	4
5874	Transportation Improvement Board	None	None	5
5875	Transportation, Department of	6	2	6
5833	Washington Traffic Safety Commission	None	None	7
Totals		7	2	7

FACTS ABOUT THE STATE AUDITOR'S OFFICE



The State Auditor's Office is established by the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

Our mission is to be the public's advocate for government accountability. Our primary service is the performance of regular financial and legal compliance audits of all state agencies and local governments. We also perform fraud, whistleblower, and other special investigations. As an elected office, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office consists of 300 employees who are located strategically around the state to deliver our services effectively and efficiently. Approximately 65 percent of our staff are certified public accountants or hold other certifications and advanced degrees.

Audit Services

Audit Services performs audits of more than 2,400 local governments in Washington. Local governments include all cities, counties, schools, ports, and several types of special purpose districts. Results of these audits are published in individual audit reports for the various entities.

Audit Services also audits all state agencies, boards, and commissions (including public colleges and universities), and is required to annually audit the State of Washington's General Purpose Financial Statements. Results of these audits are published in the State of Washington's Comprehensive Annual Financial Report issued by the Office of Financial Management, and in the Statewide Single Audit Report issued by our office.

The Technical Services team prescribes local governments' uniform budgeting, accounting and reporting systems; plans and implements audit practice aids, training, and technical assistance; prescribes the accounting manual for public school districts jointly with the Superintendent of Public Instruction; annually publishes Local Government Comparative Statistics; and coordinates our audit efficiency and quality assurance program.

In addition to its other responsibilities, Audit Services administers the Employee Disclosure or "Whistleblower Act" and investigates citizen complaints.

Management Services

Management Services is responsible for all administrative functions in the office, including budgeting, accounting, personnel, training, information technology, text processing, and purchasing.

Directory of Key Officials

State Auditor
Chief Deputy State Auditor
Deputy State Auditor - Government and Citizen Affairs
Deputy State Auditor - Policy and Communications
Deputy State Auditor - Management Services
Deputy State Auditor - Local Government Liaison

Brian Sonntag, CGFM
Ken Raske
Linda Long, CPA/CGFM
Jerry Pugnetti
Chuck Pfeil, CPA
Mike Murphy

Web Site Address

<http://www.wa.gov/sao/>